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SUBJECT: SENIOR DEPUTY AND AMBASSADOR DISCUSS ASSEMBLY'S EVOLVING  
ROLE AND FOREIGN NGOS

¶1. (SBU) Summary: The President of the influential Vietnam Union of Friendship Organizations Vu Xuan Hong insists that National Assembly (NA) deputies should play a stronger "supervisory" role in Vietnam's system and wants more international NGOs to work in the country. In a December 11 conversation with the Ambassador, Hung -- who is also a NA deputy -- said that while the NA is increasingly asserting itself, deputies ought to exploit their right to call no confidence votes on ministers. He predicted that the NA would not pass the Law on Associations during its current term and lamented that some representatives of international NGOs (INGO) do not fully list their funding sources, causing delays in starting their work. He also asserted that, despite central-level approval, local authorities often put the brakes on INGOs carrying out their work; in these cases, Hong recommends that INGOs simply move to a nearby district or province so word can spread about the good work carried out and trust can be developed. End Summary.

¶2. (SBU) Meeting with the Ambassador December 11, senior National Assembly (NA) deputy and Vietnam Union of Friendship Organizations (VUFO) President Vu Xuan Hong asserted that NA deputies are demanding more government accountability. The government is looking at extending the length of NA sessions and increasing the number of full-time deputies, he added. He would like to see the next NA, elected in 2012, reach 50 percent full-time membership, he said. (Note: Full-time deputies currently are about 35 percent of the overall total of 493 deputies. An increase in full-time membership would presumably strengthen the NA's role in Vietnam's policy process. End Note).

¶3. (SBU) The NA needs to step up its "supervision" of GVN operations, and deputies should start taking advantage of their right to call no-confidence votes on ministers, Hong continued. Although deputies have had this right for several years now, no minister has ever faced such a vote, he stated. For a confidence vote to go forward, 20 percent of NA deputies must agree first, Hong explained. In terms of technical assistance to the NA, Hong stated that the assembly needs help disseminating information, through a library for example. He added that he would like to see NA members study how other countries' parliaments carry out committee work.

¶4. (SBU) Responding to a question from the Ambassador, Hong predicted that the long-delayed Law on Associations would not pass during the current NA term. He said one of the main sticking points is whether the Party's six mass organizations should be governed by the law. He also alluded to worries by some Party stalwarts that groups would use the law to carry out "unpatriotic activities." The government faces tension between wanting to promote civil society on the one hand and making sure groups do not harm the solidarity of the nation on the other, Hong stated.

¶5. (SBU) Turning to international NGOs (INGOs), Hong declared that, as a result of improvements in Vietnam's legal framework, the number of INGOs in the country has almost doubled in ten years to about ¶700. (Note: VUFO is responsible for foreign economic, science and cultural cooperation. It falls under the Party's Fatherland Front umbrella and oversees the People's Aid Coordinating Committee (PACCOM), which governs INGO operations in Vietnam. End Note). Hong said he intends to introduce a Law on INGOs to the NA next year. This law would open Vietnam's door even wider to

organizations seeking to assist Vietnam's social and economic development, he claimed. The large and growing number of INGOs in Vietnam is a "new issue for us but we are willing to learn from others' experiences in dealing with them," he said.

¶16. (SBU) Hong lamented that some INGO representatives do not fully understand regulations governing INGO operations. For example, some INGO representatives seek to avoid paying income tax and submitting annual reports on their activities, he said. (Note: the GVN is reviewing proposals to exempt foreigners working at INGOs from paying income taxes. One argument in favor of this is that more money would be left for assistance and not consumed by taxes. End Note).

¶17. (SBU) In addition, some INGOs do not fully list their funding sources, causing delays in starting up their projects, he said. The GVN wants more INGOs to work in Vietnam, Hong said, but he also requested that the Ambassador "inform our friends that they must follow Vietnam's laws and regulations."

¶18. (SBU) Vietnam does not have a long history with INGOs, Hong continued, explaining that after Vietnam's occupation of Cambodia, the few INGOs that were in Vietnam at the time left. For this reason, local authorities in some areas still harbor suspicions about INGOs. Hong stated that the central government often approves INGOs operating in Vietnam, but then local authorities disapprove of the activities of the INGOs. Hong recommends that in such cases, INGOs should simply start work in nearby areas so people can see the good work the INGO is doing and confidence can be enhanced.

¶19. (SBU) PACCOM Director General Nguyen Van Kien added that foreign NGOs operate in all provinces in Vietnam and in a wide variety of sectors. He pointed out that most of these INGOs work in poverty

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alleviation. However, compared to neighboring countries such as Cambodia, Laos and Thailand, the per capita assistance Vietnam gets from INGOs is low, he stressed. As for American-based NGOs, they represent about 43 percent of the total number of INGOs in Vietnam, Kien said. However, he anticipated this number would rise as Vietnam becomes more open to INGOs. He said Vietnam is especially interested in American NGOs carrying out work on climate change in the Mekong Delta.

¶10. (SBU) Biographic Notes:

Vu Xuan Hong has served as VUFO President since 2002 and as NA deputy since 1997. From 2000 to 2002, Hong was Acting VUFO President. A member of the NA Foreign Affairs Committee and President of the Vietnam-U.S. Parliamentary Caucus, he represents the northern province of Phu Tho. He studied international relations at the Moscow Institute of Foreign Languages and has a Bachelor's Degree in Political Science. Born in Ninh Binh Province in 1950, Hong is married and has two sons. He speaks English well.

MICHALAK